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Australia's Woodside Energy signs 20-year LNG deal with Mexico Pacific

Reuters

December 5, 2023 4:38 PM MST · Updated 22 days ago



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Dec 6 (Reuters) - Woodside Energy ([WDS.AX](#)) said on Wednesday it has signed a deal with energy company Mexico Pacific to purchase 1.3 million tonnes of liquefied natural gas (LNG) per annum for two decades to beef up production and optimise operations.

Under the deal, the Australian oil and gas producer will buy the LNG from Mexico Pacific's Saguaro Energia LNG project, located in Sonora, Mexico on a free-on-board basis with pricing linked to U.S. gas indices.

"This agreement with Mexico Pacific delivers a new source of LNG into our trading portfolio, expands our geographic diversification in the Pacific Basin and builds on our presence in Mexico," CEO Meg O'Neill said.

The deal would also help Woodside gain proximity to key markets in Asia, she added.

The agreement is subject to Mexico Pacific taking a final investment decision (FID) on a proposed third train at the project, which is expected in the first half of 2024.

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Commercial operations at the project are targeted to start in 2029, Woodside said.

Shares of the country's top independent oil and gas producer advanced 0.2% to A\$29.60 by 2319 GMT, compared to a 0.3% rise in the benchmark ([.AXJO](#)) index.

Reporting by Echha Jain in Bengaluru; Editing by Shinjini Ganguli and Shailesh Kuber

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